

~~Administrative - Internal Use Only~~

10 December 1982

MEMORANDUM FOR THE RECORD

SUBJECT: Discussions with Burroughs and TRW, 10 December 1982

1. On 10 December I called Mr. Stu Johnson of Burroughs to report what I had learned from [] of the Navy Security Group. [] had indicated that their interest in taking three of the B-6900's was real, provided the information he had requested from Burroughs satisfied him that the applications he has in mind can be supported by the computers. [] is optimistic that the results will be positive. If they are, he has the necessary funds and would be prepared to provide a letter of intent before the end of next week. Mr. Johnson was delighted at the information.

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2. I then noted that the preliminary report I had just received about today's negotiation session suggested that not much progress had been made, and I reminded him of his "three-legged stool" analogy, used at our 9 December meeting. The three legs are financial settlement, placement of machines, and publicity about that placement. I said again that progress on negotiations regarding the final financial settlement was a prerequisite to any memorandum indicating Government commitments regarding use of the equipment. I said further that the most I would provide, before final settlement, would be a draft of the letter which would be signed at the time of settlement.

3. He said he had not participated in the discussions this afternoon and had had only a few minutes with the TRW team. He professed not to know what the dollar figure was that TRW was offering, but said he would get his contract people together before the end of the day and discuss the matter with them.

4. About an hour later Mr. Johnson called again to tell me that he had reported the news about [] interest in three machines to his boss, who had directed him to try to clear up the remaining issues before the end of the month. He plans to invite TRW back early in the week to begin detailed analysis of the issues, documentation, etc. He said his boss reminded him that he needs to involve that part of Burroughs which developed the custom software on a costplus basis to ensure their equities were protected in the final settlement. He hopes this work can be accomplished next week so he and Bob Williams can meet the following week to tie things up. He seemed to be suggesting that CIA would be in some of these meetings but I said I saw our role as being supportive to the prime contractor, and available to comment on issues which have TRW/Government contract

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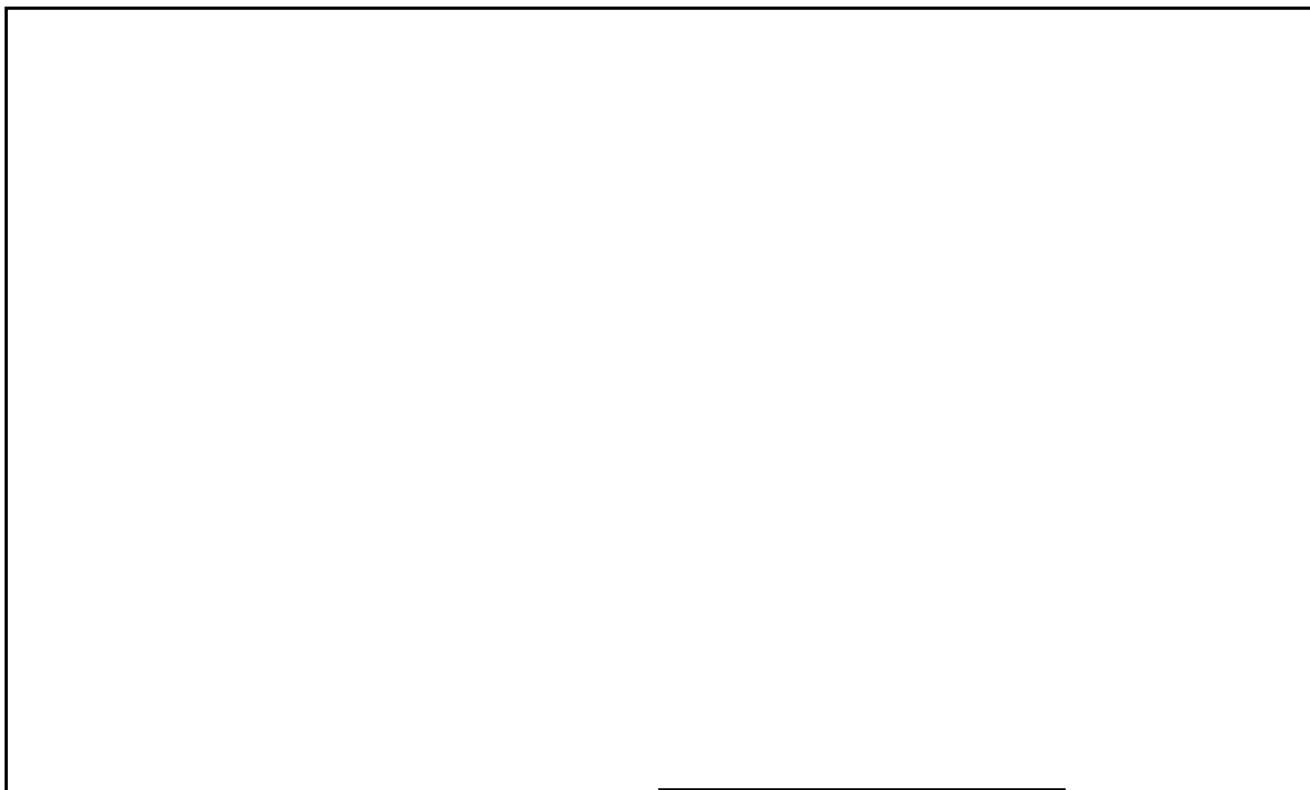
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implications, not as a participant in the negotiations. (Clearly we could have someone present if we chose, from the way he spoke.) He said he would be out of town the latter part of next week but would get things started and then pick up with Mr. Williams early the following week.

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5. I had talked to Mr. Williams after the first of these calls, and knew that Bob planned to call Mr. Johnson on Monday, so I told the latter to expect the call.



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Bruce T. Johnson
Director of Data Processing

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D/ODP:BTJohnson:jtr [redacted] (15 December 1982)

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